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OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
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SECRETARY OF DEFENSE

11 JUN 1981



INTERNATIONAL
SECURITY POLICY

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting Between Portuguese Minister of Defense Coutinho
and Secretary Weinberger (U)

Time and Place: Monday, 8 June 1981, 1015-1135, the Pentagon,
Washington, D.C.

Participants: (U)

US

Secretary of Defense
Deputy Secretary of Defense
Ambassador Bloomfield
Under Secretary of Defense, Policy
The Special Assistant
LtGen Graves, Dir, DSAA
MGen Bowman, Dir, EUR & NATO
Affairs, ISP
Mr. George Bader, Dep Dir,
EUR & NATO Affairs, ISP
BGen Smith, Military Assistant
Capt Hilty, Country Director
for Portugal

Portugal

Minister Coutinho
Ambassador Futscher Pereira
Mr. Menezes (DCM)
Dr. Gregorio Faria, Deputy
Political Director, Ministry
of Foreign Affairs
VAdm D'Eca, HQ, Armed Forces
General Staff
Capt Oliveria, Defense Attache
Col Carvalho, Military Attache
Cdr Teixeira, Aide

(C) After welcoming pleasantries, Minister Coutinho said that Portugal had three categories of modernization requirements for their armed forces: 1) to meet force goals; 2) to meet national requirements; and 3) to meet other threats deriving from US expanded use of Lajes. Adm D'Eca summarized the highlights of their modernization plan for 1981-86. Navy requirements included the NATO frigate program and mine sweepers to handle the defenses of the islands and harbors. Army modernization would focus on increasing the tank company to a battalion of M-48-A5 tanks or M60s. Air Force modernization included additional A-7s, C130s, F5 or similar fighter aircraft and maritime patrol aircraft. Minister Coutinho said that he believed that they warranted a modernization program such as this because "they are one of our most faithful allies." In addition, there was a need for greater industrial cooperation and support for air control infrastructure project.

(C) Secretary Weinberger recognized the Portuguese need to increase trade in military items in order to help their economy. Deputy Secretary of Defense Carlucci suggested that we could look into the possibility

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2

of fleet maintenance at the dry dock at Lisnave and maintenance of aircraft at Alverca. The air control project was a casualty of the under-funded NATO infrastructure program.

(C) Minister Coutinho said he understood that there might be a satellite reconnaissance capability (through NATO) that could help them patrol their 200 mile economic zone. Secretary Weinberger told him we would look into it.

(C) Minister Coutinho said that lack of German funds might stall the NATO frigate program. He felt that if they agreed to the FRG study, it would result in lost time and that the prices would go up. Secretary Weinberger replied that we wanted to see the frigate program become a reality, and that we would do all we could to try to move the German government. He suggested a bilateral meeting between the GOP and the FRG. Deputy Secretary of Defense Carlucci added that we would be willing to participate in a subsequent meeting. Dr. Faria said the Germans had always been slow to accept the frigate program. He also said that the GOP would make a demarche this week when the Portuguese Prime Minister visits Germany.

(C) Minister Coutinho asked about the status of FMS for FY 82. Secretary Weinberger replied that Congress was still debating the security assistance program and that we were urging them to keep the concession rates good. Minister Coutinho said that he would expect a larger amount of assistance for the following year. Secretary Weinberger said that we would see what could be done. Minister Coutinho explained that now that the armed forces were under civilian control, they had to feel that they were not losing.

(C) Drawing the meeting to a close, Minister Coutinho summarized that he believed everyone recognized the strategic importance of Portugal and now they must recognize Portugal's national responsibility to continue to modernize its armed forces. He said that the overall program needed to be discussed further and would like to leave the tank problem with us. He noted that NATO infrastructure funds were limited severely and asked us to push for increased funds in NATO in order that the proposed air defense warning and control facility programmed for Portugal could continue.

(C) Dr. Faria raised the issue of bilateral security-related discussions and said that he felt that we could deal with the Lajes Agreement by handling only the technical areas. In his mind there was no need to renegotiate the basic agreement.

George W. Bader
Deputy Director
EUR & NATO Affairs

cc: The Special Assistant
USD(P)
ASD(ISP)
Bill Garland

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